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24 November 1953INDIA'S POTENTIAL REACTION TO AMERICAN MILITARY AID
TO PAKISTAN

India's reaction to a military aid agreement between Pakistan and the United States would be little more than verbal. There is no important political, economic, or military action India would be likely to take against either country that would materially affect American security interests in South Asia or elsewhere.

Within India itself, signature of the pact would be followed immediately by bitter comment from both government officials and the press. This would be echoed by the Burmese and Afghan press, which are already critical on the subject. Pressure to take drastic action against Pakistan would be placed on Prime Minister Nehru by Hindu nationalist groups such as the Jan Sangh, Hindu Mahasabha, and Rashtriya Swayamsevak Sangh. These groups have long agitated for firmness in dealing with Pakistan and they advocate the eventual reincorporation of that country with India. They would probably launch demonstrations similar to those which in late 1952 and early 1953 seriously embarrassed the Indian government's administration of the Kashmir situation. The Communists, with the support of the Moscow and Peiping radios, would certainly begin a bitter campaign of propaganda and demonstrations protesting American "imperialism" in South Asia.

These communalist and Communist maneuvers might lead to some incidents of violence affecting India's 40,000,000 Moslem population, though for the most part the Indian public has never displayed any real interest in Indo-Pakistani disputes. As in the past, however, the net effect of any violence would be to create a security situation which the present Congress Party government could not tolerate and which it would take firm steps to suppress before it got out of hand.

The only concrete move the Indian government might make internally would be to reinforce its military establishment, maintaining the same 2-to-1 ratio that presently exists between the Indian and Pakistani armies. This would of necessity be a gradual process, generally paralleling the military buildup in Pakistan. There is no indication whatever that New Delhi would even seriously consider war.

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India has several choices of retaliatory action toward Pakistan, some of which it might take, but none of which would essentially change the existing situation between the two nations. India might limit air transport between East and West Pakistan. It might limit certain items of trade, though India's imports from Pakistan have ordinarily been larger than its exports. In Kashmir, however, India's freedom of action is limited by United Nations interest in the problem. Aside from the question of capabilities, complete cutting off of canal waters from West Pakistan would be so obviously a retaliatory matter that the IBRD, now mediating the dispute, would have to blame India for a failure of negotiations. By taking an intransigent or discriminatory attitude on such financial issues as refugee property, New Delhi would forfeit sums owed to it by Pakistan that are considerably larger than those it owes to Pakistan.

In nearly all instances, unfriendly Indian behavior would merely prolong a situation already six years old, delaying hope of settlements for which there is at present little enough hope. The Indian government, despite its probable frame of mind, is sufficiently aware of the facts to decide against stringent action on most of these questions.

Toward the United States, India could, and probably would, retaliate by intensifying certain policies already in effect. These would either have an insignificant effect on American security interests or would merely accelerate developments already under way without the provocation of a US-Pakistani military pact.

These would include denunciation of the present air agreement with the United States and limitation of American air traffic in India, steps which New Delhi is already about to take. Government pressure for the nationalization and Indianization of American-owned businesses would increase, forcing the eventual withdrawal of some firms and making others hesitate to place new investments. The total American investment in India is small, however, and new investment since 1947 has been negligible. Pressure probably would not be applied on the Stanvac and Caltex oil companies now building oil refineries in Bombay and Visakhapatnam, both of which are vital to India's long-range interest and whose builders would not respond readily to dictation. Missionary operations, already being limited, would be increasingly curtailed.

In the field of new endeavors, India would lose much-needed sources of dollar exchange if it ceased trading with the United States in manganese and mica. Alternate sources of supply now available or being developed make the problem less critical for the United States than in 1947. India could not withhold its jute products without losing another large source of income and without indirectly benefitting Pakistan's jute industry. The Indian economic situation is such and the probable outcry from British and Indian businessmen in these trades would be such that the government could hardly afford to indulge in economic warfare.

The international political arena is a potentially more important region where India might conceivably affect Indo-American relations and American strategic interests in Asia. On the spot and in the United Nations, India could adopt an apparently pro-Communist attitude toward such questions as peace in Korea. It could intensify its efforts to obtain Communist China's admission to the United Nations. In Southeast Asia it could increasingly criticize American support of the French in Indo-China. It could inspire the Burmese government to embarrass the United States on the question of Chinese Nationalist troops. In the Near East, Indian anti-Americanism could take the form of agitation against American "meddling" in Tunis, Morocco, Egypt, and Iran.

Indian adoption of a consistent pro-Communist or openly anti-American line inside and outside the United Nations, however, would mean abandoning two of Prime Minister Nehru's most basic positions. Constant favoring the Communist side would soon destroy any impression of Indian neutrality, the keystone of Nehru's foreign policy. It would also end any Indian hope of becoming the leading nation of Asia and an important power in world affairs. Any suggestion that New Delhi was becoming a satellite of Moscow would immediately lessen Indian influence among both Asian and Western nations, which sometimes follow India's lead or take advantage of its potential usefulness as a mediator between the Eastern and Western power blocs. Southeast Asian nations, except possibly Burma and Indonesia, would be even less inclined to take India's advice than they now are. Near Eastern Moslem countries, which already look to Turkey, Egypt, and Pakistan for leadership rather than to India, would continue to act independently on Tunis, Morocco, Israel, and the Anglo-Egyptian dispute.

Furthermore, New Delhi is fully aware of the hazards posed by Chinese possession of Tibet and of the food and security problems which would be created if Southeast Asia fell into Communist hands. Thus, Prime Minister Nehru seems unlikely to retreat from his present stand of non-involvement and to initiate a rapprochement with the Communist bloc.

Possibly the most dangerous action India could take, from the United States' point of view, would be to make itself ineligible for continued American financial and technical aid, either voluntarily or otherwise. India, in pique, could loosen its administrative restrictions on the shipment of strategic materials to the Orbit and by contravening the terms of the Battle Act force the United States to withdraw all assistance. Alternatively, Indian press propaganda and diplomatic action on the world front might so antagonize the American government that aid would be withdrawn without specific provocation.

In either case, India would be faced with an essentially unfavorable situation. American aid is now being offered at the rate of about \$90,000,000 annually, a sum not decisive in guaranteeing Indian economic well-being but one of considerable magnitude nonetheless. With its cessation, India would lose the experience and knowledge of American technical experts, whose value is much greater than either their numbers or the financial outlay involved in their salaries. Failure of India's much-touted Five Year Plan would also be ensured. This, in addition to the probable burden of increased military expenditures, would lead to growing dissatisfaction with the ruling Congress Party, to more extensive unemployment, and to unrest of a nature far outweighing the small advantage to be gained by any demonstration of India's independence of the West in thought and deed. Nehru and the conservative leaders who hold the purse-strings of the Congress Party fully recognize that the party cannot afford a major setback to its prestige prior to the national elections of 1956-57. Neither would they wish intentionally to create a situation more favorable to Communist exploitation than the present one, since Nehru and others have spoken out forthrightly against the Communists.

Furthermore, the Orbit does not require large quantities of Indian goods. Neither has it in the past demonstrated the sincere desire or ability to supply India with the capital goods it most urgently needs. It has confined most of its large-scale shipments to food. Even supposing Orbit willingness to make available a large number of technicians, New Delhi recognizes the dangers of accepting them. In seeking other alternatives to American aid, Nehru would probably also consider the possible unwillingness of Colombo Plan countries to increase the amount of their assistance in the face of an American withdrawal. It appears, therefore, that Nehru would hesitate to jeopardize his dream of making India a great industrial nation by taking any step which showed every indication of doing so.

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As a final, and possibly most convincing point to consider, Nehru and his government would have little reason to believe that any action taken by them, most of which would be deleterious to their country's political and economic positions, would cause the United States to denounce its new agreement with Pakistan and end American military aid. Without holding a winning hand, India's leaders are unlikely to take major risks.

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